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## Japan

### Market Development Reports

#### Food Business Line - Periodic Press Translations from ATO Tokyo

2005

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**Report Highlights:** *The Daiei, Inc. and Aeon Group* are among major supermarket chains in Japan to close older existing outlets in 2005; *Aeon* continues to bypass the new 'beer trading system' by receiving beer directly from breweries; The trend of low-prices supermarkets continues along side existing high priced supermarkets in Japan; *MAFF* has completed a guideline for disclosing the origin of food ingredients used in menus at restaurants; The sales of pet food for older dogs and cats are growing; The value of Internet transaction by individuals and households in Japan increased by 28 percent in 2004 to \$50.4 billion; Japanese scientists expressed no surprise from news of a second case of BSE in the United States announced on June 25; U.S. Potato Board invited 106 nutritionists to the "Non-fried Potato Seminar" in Tokyo under the theme of "Healthy Potato".

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## Food Business Line

Periodic Press Translations from ATO Tokyo Vol. V, Issue 10 June 16-31, 2005

### Retail/Wholesale

- *Marubeni Corporation* has become the lead stockholder of *Tobu Store* by increasing the percentage of its investment from 12.5% to 25%. Also, another *Marubeni* subsidiary company *Maruetsu, Inc.*, also increased its investment stake in *Tobu Store* from 5% to 15%. *Marubeni's* plan is to strengthen its presence in the management of food distribution business. (a. 6/22)
- A record number of outlets among 10 major supermarkets chains will close in 2005. Included in the group of 92 store closings is *The Daiei Inc.* and *Aeon Group*. Many of these stores are 20 to 30 years old located in city centers. (a., i., 6/19)
- *Aeon Co.* announced that it will not change its retail prices for beer and it will be delivered to the *Aeon's* distribution center directly from the major breweries, despite the new beer "Trading System" in place in the industry since the beginning of 2005. (b. 6/20)

ATO Note: See ATO Tokyo's FBL #JA5517

- The number of low priced food supermarkets are increasing. Their lower prices for food products comes from cutting certain operating costs normally found in the high end supermarkets. As a result, the two opposite extremes of high-end and low-priced food supermarkets are becoming apparent in the food market. (a. 6/25)

### Food Service

- *The Ministry of Agriculture Forestry and Fisheries (MAFF)* has completed a guideline for disclosing the origin of food ingredients used in menus at restaurants. The guideline is expected to stimulate the food service industry to begin implementing the practice. It will require disclosure of country/region of origin for major ingredients used in menu offerings. (a. 6/14)
- *All Nippon Airways (ANA)* will resume in-flight food service for the first time in 6 years. They will serve functional food which was developed in cooperation with *Ezaki Gliko Co., Ltd.* A confectionary company, *Ezaki Gliko*, has been targeting the functional foods market. (a. 6/16)
- New tomato juice bars will be available this summer in Tokyo, Osaka and Nagoya. It is the idea of major tomato juice maker *Kagome Co., Ltd.*, in collaboration with cocktail bars to expand tomato juice consumption through introduction of new cocktails using tomato juice. (g. 6/30)

### Food Processing/New Products/Market Trends

- *Taste & Aroma Strategic Research Institute Co., Ltd.* will provide results of its database of tastes and smells on 10,000 food products in the Japanese market. The data was measured with "Taste Sensor", an electronic sensing system developed by Kyushu University, to be provided for market research and new product development. (b. 6/17)
- *Sogo Shosha* (major trading companies) started developing and selling their private brand functional foods and drinks through TV mail-order business and convenience stores. (a. 6/10)

- Frozen food manufacturers started targeting their products toward the “health” conscious consumer and for use in “dinner” preparation instead of the traditional popular use in the Japanese “lunch box”. (g. 6/19)
- The sales of pet food for dogs and cats are growing. The percentage of pets over seven years of age has increased and pet owners tend to buy pet food featuring health, safety and even low calories. These consumers look for precise information on the description of ingredients. (a. 6/22)
- The production of retort packed foods is beginning to exceed that of canned/bottled foods. According to the Japan Canners Association’s report on the production of retort packed foods and canned/bottled foods in 2004, the production of canned/bottled foods, not including canned drinks, was 422,115 tons, 93.7% of the last year’s total. Among all canned/bottled foods production, round canned production was 302,431 tons, a decrease of 7.3% compared to the last year, while that of retort packed foods was 304,431 tons, an increase of 7%. The retort packed foods’ production exceeded the common round canned foods production for the first time. (f. 6/30)
- The value of Internet transaction by individuals and households in Japan increased by 28 percent in 2004 to ¥5.64 trillion (\$50.4 billion) according to the Ministry of Economy Trade and Industry. One combined category of medicines, cosmetics and health foods gained 44.2 percent to ¥222 billion (\$2.0 billion).

#### **Food Safety/Consumer Awareness**

- Japanese scientists expressed no surprise from news of a second case of BSE in the United States announced on June 25. Professor Yasuhiro Yoshikawa, head of the prion panel on Japan’s Food Safety Commission said “scientific discussions won’t be affected by the news on one more cow (infected with BSE)”. (i. 6/25)

#### **ATO/Cooperator/Competitor Activities/Trade Shows**

- U.S. Potato Board invited 106 nutritionists to the “Non-fried Potato Seminar” in Tokyo under the theme of “Healthy Potato”. (f. 6/30)

#### **Sources**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |
| (g) Fuji Sankei Business I       | (h) Pan News                            |
| (i) Nikkei Net                   |   |

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